1942 ANNUAL REPORT OF

General Shoe Corporation

NASHVILLE, TENNESSEE

GENERAL SHOE CORPORATION

Annual Report

For the year ended October 31, 1942

To the Stockholders:

Total volume of business for General Shoe Corporation for its fiscal year which ended October 31, 1942, was $37,530,775. Of this total amount, inter-Company business consisting of products manufactured for our own use amounted to $3,792,025. This leaves net sales to customers of $33,738,750 as compared with net sales to customers during the previous year of $23,729,199 and represents an increase of 42%. Total number of pairs of shoes produced during the year was the largest in the history of the Company and amounted to 10,603,000 pairs.

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Earnings per share on common stock outstanding October 31, 1942 were $1.57 per share after making provisions for preferred dividends. Total net profit for the year amounted to $1,023,373. Regular dividends were paid on preferred stock and dividends amounting to $1.00 per share were paid on the common stock.

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Total net worth of the Company October 31, 1942 was $8,054,660. As indicated in the report last year, our Company issued during the past year $2,500,000 of fifteen year, 3¼% debenture bonds, with a sinking fund provision of $150,000 per year. These bonds provided additional working capital, and the total net working capital, which is the difference between current assets and current liabilities, now stands at $9,405,049 as compared with $6,499,224 during the previous year. The current ratio, which compares current assets with current liabilities, is 11.7 to one.

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During the year the Company acquired tax anticipation notes amounting at October 31 to $2,000,420. Deducting this from our tax liabilities, our current liabilities were $876,851 as compared with cash on deposit of $1,986,178 and United States Government securities of $521,000.

Book value of the common stock, including reserves, is $12.22 per share. The net quick asset value of the common stock was $10.19 per share.

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Provisions have been made for federal taxes and all other taxes. Under the last tax law passed by Congress, the portion of our earnings as represented for the period from July 1, 1942 to October 31, 1942, came under the new law, and the first eight months of the year are under the 1941 law. Depending on the amount of gross profit, the percentage of gross profit necessary to provide for taxes will possibly be larger during next year than it has been this year.

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The Company continues to use its past accounting practice of valuing inventories on the basis of cost or market, whichever is lower, feeling this to be the most conservative method for our business. Reserves which we believe to be ample have been set up for doubtful accounts, collection expense and discount. It is believed that adequate provision has also been made for depreciation and amortization of plants, equipment and improvements. This year in addition to setting up normal amounts to provide for this depreciation and amortization, our Company has also charged off all lasts, dies and patterns that have been bought during the past year which represented an additional charge against profits of $180,546. A very conservative policy has always been maintained on the matter of fixed assets, and the proportion of fixed assets to total assets of the Company, as indicated on our balance sheet, is evidence of this policy. As carried on the balance sheet, lands, buildings and equipment represented less than 13% of the total net worth of the Company.

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The matter of maintaining proper supplies of materials is an important problem. Our inventories while not large, are fairly well balanced and we have close working relationships with the most important producers of materials. These sources of supply have been very helpful in working with us to meet the problems that have arisen. It has been necessary to make changes in

some of the materials that have been used, but these changes have been made without any serious difficulties as yet. Just as difficult as is the matter of securing materials is the problem of securing and training people to take care of labor turnover and to replace those who leave the Company to go into the military services. Our plants are located where the difficulties have not been as great as in some other sections of the country, but nevertheless the problem of personnel is a growing one. No real forecast can be made as to just what the situation will be during the coming year in regard to either the matter of materials or the matter of labor.

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About 15% of the Company's business during the past year has been on military items for the United States Government. Aside from the shoes and other items manufactured directly for military use, it should be borne in mind that shoes are an essential commodity, and that every war worker and every other person in any walk of life must have adequate footwear in order to properly maintain their efficiency and morale. Therefore in this light practically the entire output of the Company is a part of the war effort. Our Company has been and is manufacturing quite a number of items for military use. The largest item is regular army service shoes. In addition, a considerable quantity of navy shoes is being manufactured, and shoes for other branches of the service, including parachute jumpers' boots, are also being made. A goodly percentage of the regular production of the Company is on what are called military types, distributed through military Post Exchanges and other places of distribution to officers and enlisted men for street wear. Our Company has also turned over part of its management and arranged for facilities to manufacture other items besides shoes. These items include canvas leggings, canvas machete sheaths, canvas dispatch cases and other items. Every contract with the government has been finished on schedule or ahead of schedule, and a number of complimentary reports have been received from officials who handle the contracts with the Company.

At the present time, demand for shoes from retailers and from consumers is very strong, and it is probable that the demand will be very strong for some months ahead. Orders now on hand will take care of our total production for some months. Our factories are operating at maximum production within the limitations of available materials, available labor and available equipment. It is not practical to plan on increasing production further at this time to any sizeable degree. Our Company, however, has an option which it expects to exercise shortly to acquire a controlling interest in the Fabrica de Zapatos Eclipse, S.A. of Mexico City, Mexico. This is a rather small operation compared with our factories in this country, but is one of the largest shoe manufacturing plants in Mexico and produces very fair shoes. For some months our Company has had men in Mexico on a consultant basis with this Company so that full information could be obtained before exercising our option.

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During the past year two new directors have been elected: C. W. Butler, Atlanta, Georgia, and Noble C. Caudill, Nashville, Tennessee. The following changes have also been made in our officers: J. P. Saunders, formerly Secretary, has been elected Vice-President and Secretary; Noble C. Caudill, formerly Assistant Secretary, has been elected Vice-President; and H. Nelson Carmichael has been elected Assistant Secretary. George W. Noland, formerly Vice-President and Director, resigned these offices on account of his active service as an officer in the U. S. Army.

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Our organization has met the problems of operation under a war economy in a very fine way. Many of our men are serving with the armed forces, but the rest of the organization has carried the load with a fine spirit of cooperation and enthusiasm.

President.

December 4, 1942

CONSOLIDATED BALANCE SHEETS

As at October 31, 1942 and 1941

ASSETS	October 31, 1942	1941
CURRENT ASSETS:		
Cash in Banks and on Hand	$ 1,986,177.74	$ 1,464,931.47
United States Government Obligations—at Cost	521,000.00	
Due from United States Government for Merchandise	576,996.77	71,377.52
Customers Accounts Receivable, less Reserve for Doubtful Accounts and Discounts	2,337,115.07	2,423,459.79
Miscellaneous Accounts Receivable	50,962.60	43,560.87
Inventories—Finished Shoes and Work in Process Valued at Approximate Cost, Raw Materials and Special Merchandise at the Lower of Cost or Market:		
Finished Shoes	1,316,542.75	1,341,992.31
Raw Materials, Merchandise in Process, and Special Merchandise	3,493,105.34	2,034,787.38
TOTAL CURRENT ASSETS	$ 10,281,900.27	$ 7,380,109.34
INVESTMENTS:		
Stock in Outside Company—at Cost	20,000.00	20,000.00
Post War Refund of Federal Excess Profits Taxes—Estimated	25,600.00	
Employees Stock Purchase Accounts—Secured	116,498.46	100,317.43
Sinking Fund with Trustee	152,437.50	
Real Estate	58,050.23	61,100.23
Buildings, Machinery and Equipment, and Improvements to Leased Properties	1,716,503.10	1,899,746.73
Less—Reserve for Amortization and Depreciation	732,664.04	692,925.79
	983,839.06	1,206,820.94
Goodwill, Patents and Trade Marks	1.00	1.00
TOTAL	$ 11,638,326.52	$ 8,768,348.94

LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable for Merchandise, Expenses, etc.	$ 232,002.29	$ 79,423.26
Due to Officers and Employees	53,834.12	33,704.09
Accrued Royalties, Payrolls, and Taxes	407,797.74	254,650.03
Provision for Federal and State Income and Excess Profits Taxes, less United States Treasury Tax Notes $2,000,420.00 at October 31, 1942 purchased for payment of Federal Income Taxes	183,216.72	513,107.98
TOTAL CURRENT LIABILITIES	$ 876,850.87	$ 880,885.36
Fifteen Year 3¼% Sinking Fund Debentures due December 1, 1956 (Sinking Fund Payment $150,000.00 required on September 1, 1943 and annually thereafter until maturity)	$ 2,500,000.00	
Reserves for Retirement, Insurance, and Contingencies	206,816.03	193,521.98
CAPITAL STOCK:		
Preferred Stock without Par Value—Authorized and Issued or to be exchanged for old shares—99,260 shares redeemable at $7.50 per share and having a Liquidating Value of $5.00 per share; entitled to Cumulative Dividends of 40c per share annually, payable on January 1, and July 1, (Paid to July 1, 1942)	496,300.00	496,300.00
Common Stock—Par Value $1.00 per share; Authorized 1,200,000 shares, Outstanding October 31, 1942 (after deducting 3,038 shares in Treasury) 627,173 shares; October 31, 1941 (after deducting 3,540 shares in Treasury) 626,671 shares	627,173.00	626,671.00
Paid-In Surplus	3,644,447.31	3,640,845.98
Earned Surplus	3,286,739.31	2,930,124.62
TOTAL	$ 11,638,326.52	$ 8,768,348.94
Net Working Capital	$ 9,405,049.40	$ 6,499,223.98
Current Ratio	$ 11.73 to 1	$ 8.38 to 1

Corporation

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

For the years ended October 31, 1942 and 1941

	Year Ended October 31, 1942	1941
Sales, less Returns and Allowances	$ 33,738,749.70	$23,729,198.87
Less—Discount on Sales	298,279.71	236,055.76
	$ 33,440,469.99	$23,493,143.11
Cost of Goods Sold	$ 26,054,006.61	$18,692,641.48
GROSS PROFIT ON SALES	$ 7,386,463.38	$ 4,800,501.63
Selling, General, and Administrative Expenses and Provision for Doubtful Accounts	4,051,609.47	3,218,463.12
NET OPERATING PROFIT	$ 3,334,853.91	$ 1,582,038.51
MISCELLANEOUS INCOME:		
Interest Received and Service Charges, etc.	11,976.23	13,752.43
	$ 3,346,830.14	$ 1,595,790.94
MISCELLANEOUS CHARGES:		
Interest on Debentures	70,416.67	
Discount on Debentures	87,500.00	
Interest on Bank Loans, etc.	3,940,28	8,740.10
Provision for Contingencies	13,200.00	13,200.00
TOTAL MISCELLANEOUS CHARGES	$ 175,056.95	$ 21,940.10
NET INCOME BEFORE INCOME TAXES	$ 3,171,773.19	$ 1,573,850.84
Provision for Federal and State Income and Excess Profits Taxes, less Post War Refund of Federal Excess Profits Taxes 1942 $25,600.00	2,148,400.00	509,700.00
NET INCOME	$ 1,023,373.19	$ 1,064,150.84
Depreciation and Amortization of Plant, Equipment, and Improvements, charged to Operations, including Lasts, Dies, and Patterns purchased in 1942	$ 561,694.70	$ 326,507.55

CONSOLIDATED SURPLUS ACCOUNTS

Earned Surplus

Consolidated Earned Surplus at beginning of year	$ 2,930,124.62	$ 2,469,853.78
Consolidated Net Income for the year	1,023,373.19	1,064,150.84
	$ 3,953,497.81	$ 3,534,004.62
Deduct—Dividends Paid in Cash:		
Preferred—40 cents per share	39,704.00	39,704.00
Common—Years ended October 31, 1942 and 1941, $1.00 per share and 90 cents per share, respectively	627,054.50	564,176.00
	666,758.50	603,880.00
Consolidated Earned Surplus at end of year	$ 3,286,739.31	$ 2,930,124.62

Paid-In Surplus

Consolidated Paid-In Surplus at beginning of year	$ 3,640,845.98	$ 3,649,267.02
Premium on Purchase and Sale of Common Stock (Net)	3,601.33	(8,421.04)
Consolidated Paid-In Surplus at end of year	$ 3,644,447.31	$ 3,640,845.98

Accountants' Report

To the Board of Directors
General Shoe Corporation
Nashville, Tennessee

We have examined the Consolidated Balance Sheet of the General Shoe Corporation and Subsidiary Companies as of October 31, 1942 and the statements of Consolidated Profit and Loss and Surplus for the fiscal year then ended, have reviewed the system of internal control and the accounting procedures of the Companies, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Companies and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

During the fiscal year 1942 the Parent Company changed, with our approval, the method of charging off lasts, dies and patterns to a current basis, whereas the method previously used provided for charging off these items in the year following purchase. The amount charged off during the fiscal year 1942 includes purchases in the preceding year, $198,424.19, and in the current year, $180,546.13.

The Parent Company, in conformity with its practice of not carrying deferred charges in its Balance Sheet, has charged off to operations the entire amount of debenture discount, $87,500.00. Had the debenture discount been amortized over the life of the debentures, the charge would have been $5,347.27 for the fiscal year.

Under the customary terms of the rental and royalty agreements covering machinery leased by the Parent Company, it is liable to the lessor for deferred license fees amounting to $173,943.56 (net) as of October 31, 1942, which are payable when such machinery is returned to the lessor, together with all return freight and repair charges. It is the consistent accounting procedure of the Company to charge as operating expenses all current rentals and royalties.

During the fiscal year the Parent Company was engaged in production of goods under contracts with the United States Government and, under provisions of the War Profits Control Act, such contracts are subject to renegotiation; however, the Company has not been advised that renegotiation will be required.

The Indenture covering the Fifteen Year 3¼% Sinking Fund Debentures prohibits distribution of capital and surplus aggregating $7,193,941.60 at October 31, 1942. Unrestricted surplus amounts to $860,718.02.

In our opinion, subject to the foregoing observations, the accompanying Consolidated Balance Sheet and related statements of Consolidated Profit and Loss and Surplus present fairly the consolidated position of the General Shoe Corporation and Subsidiaries at October 31, 1942 and the results of the operations for the fiscal year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change made in the method of charging off lasts, dies, and patterns, and the charging off in advance of debenture discount.

PEAT, MARWICK, MITCHELL & CO.

November 24, 1942.

Comment on Operations

Each year it is the purpose of the management of General Shoe Corporation to furnish additional background information about the policies and operation of the Company so that a more complete picture can be readily obtained of the Company as it really is than is available just from an examination of the financial statements.

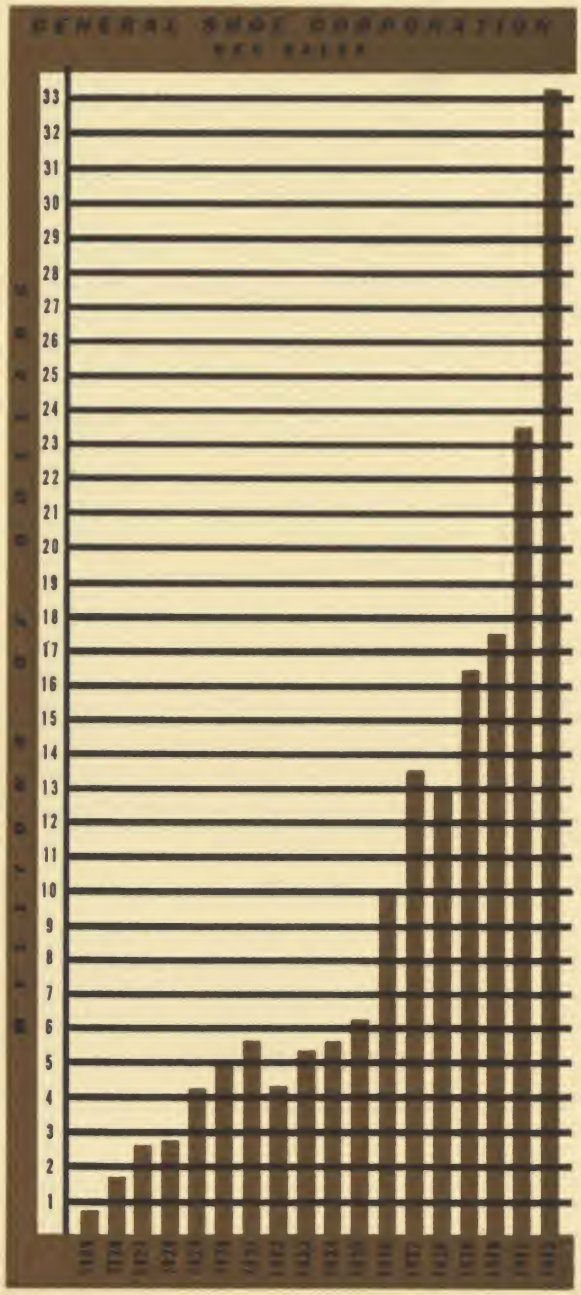
Description of Operation

The Company is organized on a decentralized basis with seven operating branches. Five of these branches manufacture and distribute to the trade certain general types of shoes, each branch specializing on a particular type. Some of these branches have more than one sales division, covering different types of markets for that particular type of shoe. Of the other two branches, one covers our retail operation and the other covers the operation of manufacturing materials and supplies to be used by the shoe manufacturing plants. While there is uniform financial and policy control throughout all the branches, there is great incentive on this decentralized basis to develop the initiative of various men throughout the organization.

The Company operates eleven shoe factories, and one sole cutting and heel building plant. Nine of these plants are located in middle Tennessee, two in Georgia and one in Kentucky. Production currently is running at the rate of 48,000 pairs per day which is the present capacity.

Each of the factories specializes on a certain type of shoe and this specialization provides for development of a high degree of skill and efficiency. All of the more important types of shoes are made and the various lines retail at popular prices.

Shoes are distributed to the trade through a number of sales divisions, each operating in a particular type of market. Shoes sold to the larger chain operators and mail order houses are generally made up under private brand names. Shoes sold to independent retailers generally carry our brand names, some of which are nationally advertised. The Company also operates a number of retail stores which are located in most of the principal cities of the United States. These stores provide a very valuable direct contact with the public which is helpful in designing and building various lines of shoes.



War Work

The shoe industry has met the requirements of the military services for shoes in a very excellent way. Of a total of around 475,000,000 pairs of all kinds of shoes that will be produced in the United States this year, about 7% or around 30,000,000 will be military shoes. It appears very likely that during 1943 there will probably be a 50% increase in the requirements for military shoes. Without question, however, the industry can take care of the calls placed upon it by the armed services and the additional calls placed upon the industry by others of the United Nations. Activity in various parts of the world has created a demand for many different types of footwear and the industry is geared up to produce such extremes as extra heavy cold climate boots, and on the other hand strap sandals for submarine personnel.

Our Company has consistently maintained a cooperative attitude toward military production. During the past year about 15% of our volume was delivered to the government for military services. The army service shoe which is a heavy unlined high shoe represents the largest item of military footwear. We are also regularly producing quantities of oxfords for the Navy and boots for parachute jumpers. At various times we have made shoes for shipment to foreign countries under the lend-lease program.

We have not limited ourselves to the production of footwear but have also produced various military canvas goods items such as leggings, machete sheaths and dispatch cases. Our facilities have been offered to the Quartermaster Department for the production of any type of military equipment that could be handled with our equipment in our organization.

Government Restrictions

In the past year, many government regulations have been issued affecting various phases of our operation. Some of these restrictions apply to all kinds of manufacturing, and some apply only to the shoe industry. The price freezing order affected our sources of supply and also our own selling prices. This has reduced our margin of profit, due to the fact that our selling prices were based to a large extent on the prices of materials that we had on hand, whereas we had placed contracts for raw materials covering operations ahead at higher prices which became ceiling prices. The situation on some of our lines was more difficult than on others, but of course our Company adjusted its selling prices in line with the price freezing order and our profit margins were reduced accordingly.

The wage stabilization order, various parts of which took effect at different dates during the Fall somewhat increases the difficulty of properly rewarding employees, but our Company's wage program has been kept right up to date, and our wages are on a good comparative level.

The War Production Board during the year issued several restrictive orders applying to the use of sole leather. Certain percentages of our production of cut outsoles and insoles must be definitely set aside for use on military shoes. This has involved a good many adjustments which however have been met in accordance with the order. The War Production Board has also issued strict regulations in regard to the designing of shoes to simplify their design so as to reduce the number of styles that will be shown, and to conserve on materials and labor, transportation, etc. Our various lines of shoes have been re-designed to meet these restrictions in the best possible way. These styling restrictions are of considerable help in simplifying shoes, making production problems somewhat easier.

Further restrictions on styling are anticipated during the coming year, and it is possible that

MEN'S SHOES

Best known, highest grade shoes manufactured by General Shoe are Jarman Shoes for Men. Also nationally known are Fortune Shoes for Men. Both are leaders in their particular price grades. Several other lines of men's shoes are manufactured—the types ranging from work shoes to smartly styled shoes for street and dress wear.

WOMEN'S SHOES

Betty Barrett and Friendly Shoes for Women are the Company's leading women's brands. A new brand gaining widespread distribution is the Hylander casual type shoe. Other women's lines are manufactured and sold under private brand names or the Company's own names—Pre-Vue, Edgewood and Sewanee.

other types of restrictive regulations may be considered necessary by the government authorities. Due to the shipping situation it is not possible to secure as large a volume of hides for this country, many of which have had to be imported for many years, as are necessary to meet the full requirements of the civilian market as well as the military requirements. However, there is at present no shortage of civilian shoes. Military shoes consume a good deal more leather than civilian shoes. It has already been mentioned that all military requirements can be readily taken care of. The country will, however, definitely continue to need a large production of civilian shoes. The quality of leather that is available for civilian shoes today is not as good as in previous years. That means that shoes will wear out faster. With a great many more people employed than we have had in this country before, there will be a still greater use of shoes. With other forms of transportation restricted, there is going to be a great deal more walking. All of these things build up the need for large quantities of shoes for proper working efficiency and the proper maintenance of morale in this country. It would appear desirable to still further restrict the design of shoes so as to eliminate any unnecessary frills and to avoid any waste, but it is to be hoped that the authorities in Washington will give very careful consideration to the greatly increased essential civilian requirements for shoes before adopting any artificial restrictive measures. The shoe industry has shown its readiness and ability to meet military demands, but it must be kept in mind that the production of the right sort of shoes in sufficient quantities for civilians is also an essential part of the war effort.

Raw Materials—Supplies

Leather supplies are becoming increasingly more difficult to obtain in sufficient quantities for civilian uses. It has been necessary to make a number of changes in the materials that we use in our various products. The quality of some of these materials is not up to the standard that we would like to maintain, and this is also true with other shoe manufacturers. We have, however, endeavored to use materials that were available in the most economical way possible, and to substitute materials that were not as critical so as to maintain our production, and also to maintain a reasonably satisfactory quality standard. Our Company has always had a very satisfactory relationship with its sources of supply, and the fine cooperation we have received from them during the past year is evidence of this continued good relationship. However, the amount of raw materials in sight in this country at the present time would indicate that there is likely to be a smaller production of shoes during the coming year than during this year.

Employee Relations

One of the greatest problems facing the Company during the past year has been the matter of training new employees at a sufficiently rapid pace to replace those who are called into the armed services, and who have left for various other reasons. Our factories are located in places that do not have as great a problem in this respect as many other companies, but nevertheless the turnover has been a very great problem. Approximately 750 of our employees are now serving in the armed forces, and of course more are leaving every week. We have also lost some employees to war industries, and we have a large group of people who are very new. The training problem, the difficulty of maintaining production levels, and the difficulty of maintaining quality standards with this situation, can be understood.

Our Company has in the past employed women for about 50% of the total working force. This

CHILDREN'S SHOES

Skyrider Shoes for Boys is one of America's foremost brands for boys whose ages range from 6 to 15. The Acrobat and Play Pal brands take care of the requirements of younger children, both boys and girls, aged 3 to 8.

ARMY AND NAVY SHOES

From the beginning General Shoe Corporation has been making its share of shoes for the Army. Today, in addition to the regular Army Service Shoes, the Company is making Paratroop Boots and Navy Shoes.

percentage is increasing as many of the men going into the armed forces are being replaced by women. The great majority of operations in our factories can be performed by women, although some slight rearrangements of work will be necessary in certain instances.

There has been considerable newspaper publicity as to the formula set up by the War Labor Board on wage increases which would be sufficient to cover the increase in the cost of living. According to the War Labor Board 15% should cover this increase in the cost of living. Since January 1, 1941, the date taken by the War Labor Board, our wage rates have been increased an average of 22%. However, the actual earnings of our people have increased considerably more than that. Piece work production per operator has been increased by better planning and simplifying of production, and the hours worked per week have been increased, which has resulted in greatly increased weekly earnings for our employees.

While every new worker that our Company adds to its force has to be trained, and there is no experienced labor in our communities, yet these workers have developed into very excellent shoemakers. The men and women who work in our factories are a very fine group of people, intelligent, of good education, interested and enthusiastic about their work. To meet these problems, our Company has set up, under able direction, a very extensive training program. This program covers various types of general and technical training for rank and file workers and for the greater development of the supervisory force.

Planning

During the past year, our Company decided that technical changes were being made so rapidly and so many new things were ahead for the future that it was desirable to set up a separate research department to experiment and work out new developments for our business. Under one of our able executives this work has been going on now for some time and is proving itself very valuable. Many of the things that are being worked on will not be usable during the war but will have possibilities for development after the war is over. Our Company definitely feels that this research program is very vital to its future progress.

In addition to this research work other plans are being made from time to time affecting various phases of our business, setting up definite programs to be followed when the time is appropriate. It is not possible to foresee what may happen a few months from now, or under just what conditions our Company may be operating, but it is reasonable to expect that within the next few years, definite opportunities for progressive development will open up. It is our expectation that with the plans that we are making our Company will be in a position to take advantage of opportunities as they arise.

As referred to in the first part of this report, our Company is undertaking an operation in Mexico City. This operation, while not very large, will provide definite experience in Latin America. It is not possible to predict the extent of industrial development or future relations between this country and Latin America, but it does seem that the possibilities are such that it is well to be prepared to keep up with this moving world.

Our business is in an essential industry both in times of war and peace. To render the proper kind of service, our Company must build on a sound foundation of executive character. Our organization is building this way and we face the many problems of the future with enthusiasm and determination to achieve worthwhile accomplishment.

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MISCELLANEOUS FOR THE ARMY

In addition to various types of Service Shoes, the Company is now manufacturing Army leggings, machete sheaths, dispatch cases, and full size dummy tanks of wood for target practice.

DISTRIBUTION

Approximately 20,000 dealers, located in every state of the Union and in many foreign countries, sell the products of General Shoe Corporation.

GENERAL SHOE CORPORATION

NASHVILLE, TENNESSEE

Directors

William M. Blackie	Candler W. Butler	J. Harlan Lawson
Henry W. Boyd, Jr.	Noble C. Caudill	James P. Saunders
Earle T. Bumpous	W. Maxey Jarman	William H. Wemyss

Officers

W. Maxey Jarman	*President*
William H. Wemyss	*Executive Vice-President*
Henry W. Boyd, Jr.	*Vice-President and Treasurer*
J. Harlan Lawson	*General Manager*
William M. Blackie	*Vice-President*
Earle T. Bumpous	*Vice-President*
James P. Saunders	*Vice-President and Secretary*
Noble C. Caudill	*Vice-President*
Otis C. Williams	*Auditor*
Charles W. Cook	*Assistant Vice-President*
Houghton D. Vaughn	*Assistant Vice-President*
Anderson W. Spickard	*Assistant Treasurer*
H. Nelson Carmichael	*Assistant Secretary*

Transfer Agents: Guaranty Trust Company of New York, New York, N.Y., and American National Bank, Nashville, Tenn.

Registrars: Chemical Bank and Trust Company, New York, N.Y., and The Nashville Trust Company, Nashville, Tenn.

Annual Meeting of Stockholders: March 1, 1943.

FACTORIES	SALES DIVISIONS
Nashville, Tennessee	Jarman Shoe Company
Gallatin, Tennessee (Two)	Richland Shoe Company
Tullahoma, Tennessee (Two)	Davidson Shoe Company
Lewisburg, Tennessee	Belle Meade Shoe Company
Hohenwald, Tennessee	Dominion Shoe Company
Atlanta, Georgia	Edgewood Shoe Factories
Pulaski, Tennessee	Kingston Shoe Company
Frankfort, Kentucky	Statler Shoe Company
Cowan, Tennessee	Barrett Shoe Company
Lawrenceville, Georgia	Sewanee Shoe Company
•	Republic Shoe Company
• • • • • • • • • • • • • • • • • •	Little Welt Shoe Company

FRANKFORT
KENTUCKY
GALLATIN
NASHVILLE
TENNESSEE
HOHENWALD
LEWISBURG
TULLAHOMA
PULASKI
COWAN
GEORGIA
ATLANTA
LAWRENCEVILLE